



Debt is an alarming fact of life for many Americans. According to the National Foundation for Debt Management:

- The average household has 10 credit cards
- The average interest rate is 18.9%
- The average credit card balance is \$8,000
- The typical "minimum monthly payment" is 90% interest, 10% principal

Debt: You can break free!

If you are swimming in debt, you are not alone. Many famous people have struggled with debt. Thomas Jefferson, Abraham Lincoln, Ulysses Grant, Mark Twain, and P.T. Barnum all had serious financial problems and some even faced bankruptcy. But they overcame their financial struggles and so can you. Experts suggest these simple ways to reduce your debt:

- Develop a budget and stick to it.
- Pay more than the minimum on your loans and your credit card.
- If you have more than one credit card, pay down your cards with the highest interest rates first. If the interest rates are the same, pay the minimum on the larger ones and concentrate on paying off the smallest one. Keep this up until they are all paid off.
- Consolidate your debt on fewer credit cards to get better interest rates.
- Cut up unnecessary credit cards.
- Call the credit card company, especially if you have been a customer for some time, and ask for a lower rate of interest on your credit card.
- Use credit cards for emergencies only. Use cash whenever possible.

If you need help making a budget or organizing your credit, call the Consumer Credit Counseling Service at 614-552-2222 for a free consultation about your credit status and your overall budget situation.

Don't Forget to Save

When developing your budget, don't forget to try to save some money regularly for your retirement, a vacation, a child's education, or unexpected expenses. It may seem hard to find money to save, but with a little effort and thought you will find that you can save money in unexpected ways. America Saves offers these tips on "Finding Money to Save":

- Save 50 cents in loose change per day = \$15 a month saved
- Bring lunch to work (save about \$3 a day) = \$60 a month saved
- Borrow, rather than buy, one book a month = \$15 a month saved
- Eat out 2 fewer times a month = \$30 a month saved
- Pay the credit card bill on time to avoid a fee = \$25 a month saved
- Buy grocery store brands = \$10 a month saved
- Eliminate premium cable channels = \$20 a month saved

Check with your employer about ways to save for your retirement. Find out about work-related saving programs that may be available to you, such as 401(k) retirement programs or Deferred Compensation programs, and participate to the extent you can manage it. This avenue can be especially important if your

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Franklin County Treasurer

employer will match or supplement your savings in a retirement program - that is free money to you. Start your own Individual Retirement Account (IRA), which allows you to save money and at the same time reduce the income taxes you have to pay this year by the same amount. Buy U.S. Savings Bonds. Open a savings account. Get started as soon as possible, which allows you to maximize the time value of money, a very powerful force for accumulating savings by piling up interest payments over time. Whatever your goals may be, get in the habit by starting to save ***now*** and give yourself time to watch your money grow!

